

CEDA data insight

More than a third of Australians still work from home as office mandates loom

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More parents and carers have a job thanks to working from home and a healthy jobs market, as more than a third of Australians continue to work from home.

Amid a series of high-profile return-to-office mandates from some employers in recent months, our analysis shows that workers, employers and the broader economy continue to benefit from the availability of working from home (WFH) and hybrid working arrangements at broadly the same rates as a year ago.

Thirty-six per cent of Australians were working from home on a regular basis in August this year, almost the same as the 37 per cent in 2023, new Australian Bureau of Statistics (ABS) data show (Figure 1). This represents a dramatic shift on the 5 per cent rate before COVID according to the 2016 Census.

Sixty per cent of managers and professionals usually worked from home, the same rate as last year, while just 21 per cent did so for all other occupations.

FIGURE 1

More than one-third of employed Australians still regularly work from home

Work from home status (%)

■ 2016 ■ 2023 ■ 2024

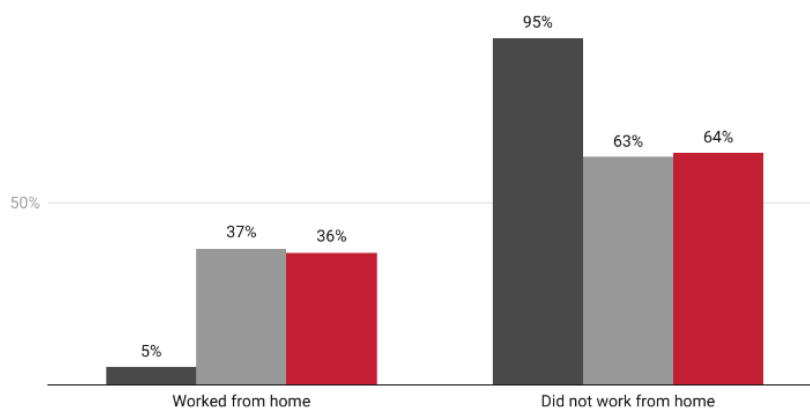


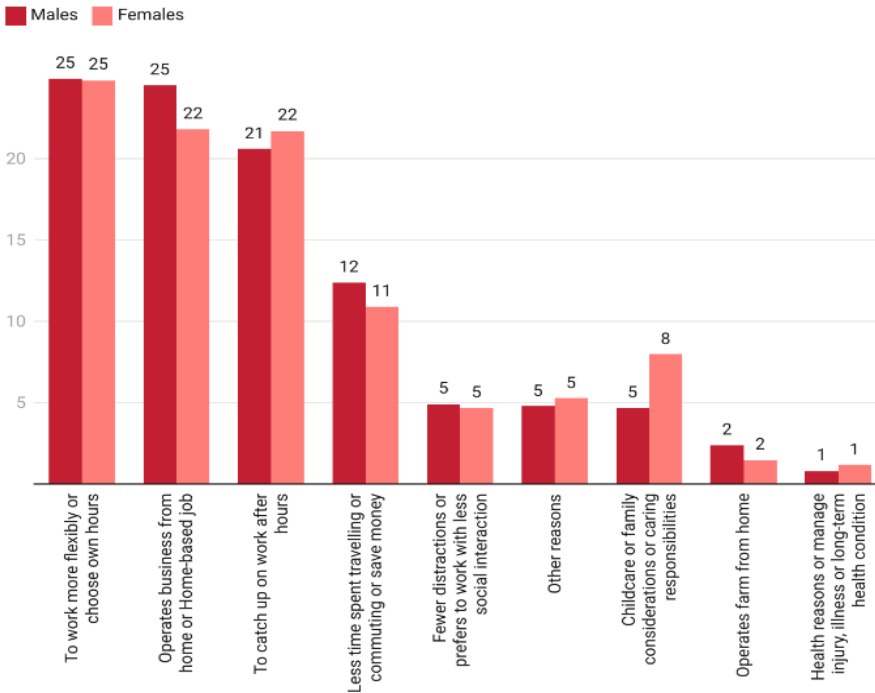
Chart: CEDA Analysis • Source: Australian Bureau of Statistics (August 2024), Australian Bureau of Statistics (2016), • Created with Datawrapper

Flexible working arrangements are still the main reason people choose to work from home (Figure 2), while more than 20 per cent have a home-based business or job and more than 10 per cent do so to save money, or time on commuting.

FIGURE 2

Flexibility is still the main reason for WFH

Main reason worked from home, August 2024 (%)



Source: Australian Bureau of Statistics • Created with Datawrapper

Around 8 per cent of women now work from home for childcare or other family and care reasons.

Groups such as these that were previously less likely to have a job continue to benefit from the shift to hybrid work since the COVID-19 pandemic.

New Household Income and Labour Dynamics in Australia (HILDA) Survey data released last week shows workforce participation in jobs where people could work from home jumped by 9 percentage points for women with young children and 4.4 percentage points for people with a disability or health condition from 2019 to 2023 (Figure 3).

Alongside Australia’s surprisingly resilient labour market, the growth and acceptance of WFH and hybrid work have clearly helped overcome barriers that previously made it harder for these groups to participate in the labour market.

Our analysis also shows WFH rates among the general population remain similar to those of workers with an impactful condition, women with young children and carers, who had much higher rates of working from home than other workers before COVID (Figure 4).

FIGURE 3

WFH has contributed to a bigger rise in workforce participation for some people

Participation in WFH occupations

Carers

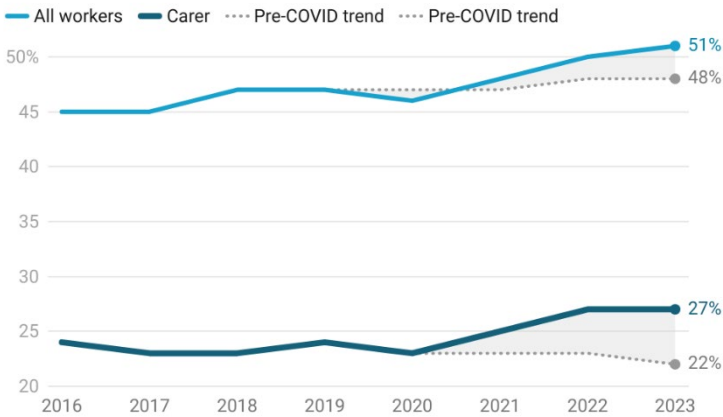


Chart: Analysis by CEDA • Source: Household, Income and Labour Dynamics in Australia Survey, Wave 23 [HILDA] • Created with Datawrapper

Impactful condition

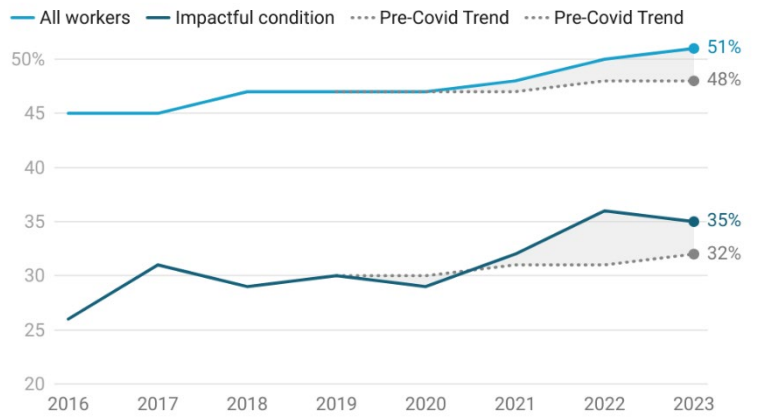


Chart: Analysis by CEDA • Source: Household, Income and Labour Dynamics in Australia Survey, Wave 23 [HILDA] • Created with Datawrapper

Women with children under four

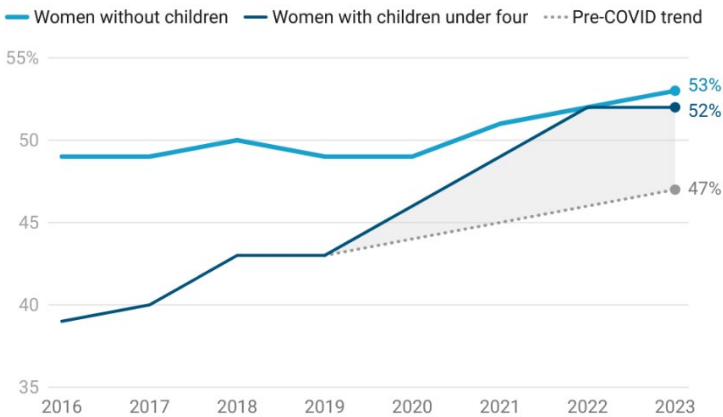


Chart: Analysis by CEDA • Source: Household, Income and Labour Dynamics in Australia Survey, Wave 23 [HILDA] • Created with Datawrapper

Women with children over four

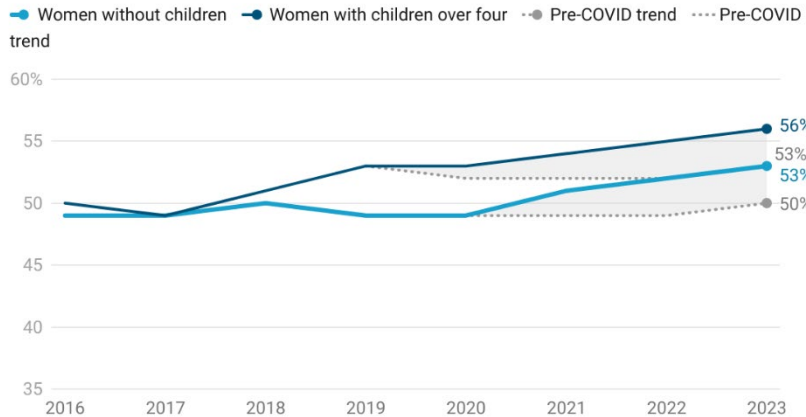


Chart: Analysis by CEDA • Source: Household, Income and Labour Dynamics in Australia Survey, Wave 23 [HILDA] • Created with Datawrapper

Our results show employers now have access to a broader talent pool and potentially better skills matches thanks to these new ways of working. It also suggests the growth of WFH could be contributing to our historically high labour force participation rate and low unemployment.

But we must not lose sight of these benefits as some employers opt to send more staff back to the office.

FIGURE 4

Rates of WFH are now similar across all groups of workers

Percentage of workers who WFH in selected WFH occupations

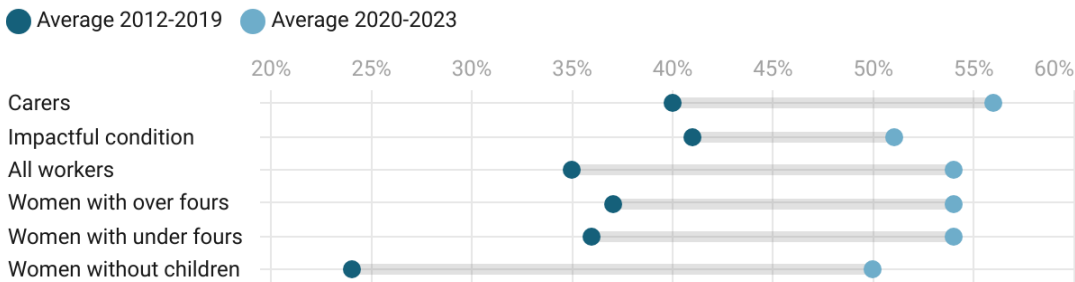


Chart: CEDA Analysis • Source: Household Income and Labour Dynamics Survey Australia, 2024, Wave 23. • Created with Datawrapper

Remote and hybrid work is unlikely to become ‘set-and-forget’, as it is highly dependent on the nature of the work involved, team and organisational needs, and culture.

But in addition to helping to fill skill shortages, improve job matching and deepen labour markets, the evidence also indicates hybrid workers are just as productive as full-time office workers.

A recent [randomised control trial of 1600 workers](#) by WFH expert, Stanford University Economics Professor Nicholas Bloom, found no differences in productivity, performance-review outcomes, promotion, learning or innovation between hybrid and office-only workers.

It also found hybrid workers had a higher job satisfaction rate – valuing hybrid work as equivalent to a pay rise of about 8 per cent, and 33 per cent lower attrition rates. The fall in quit rates was largest for female employees.

Despite these benefits, many senior business leaders remain less convinced. A [KPMG survey](#) of more than 1300 CEOs across 11 countries found 83 per cent now expect a full return to the office within the next three years, a notable increase from 64 per cent in 2023. In Australia, the result was similar, at 82 per cent.

The latest Australian Institute of Company Directors (AICD) [Director Sentiment Index](#) shows around two-thirds of directors still believe flexible working arrangements are good for staff retention, attraction and health.

Their views on the impact of working from home on productivity and innovation have improved slightly over the last year but remain negative – only 39 per cent believe that work from home is good for productivity, while only 28 per cent believe work from home is good for innovation.

Our findings clearly show working from home should not become an industrial relations battleground.

Instead, as employers assess and evolve their approach, they should try to make both remote and in-office work more effective, maximising the benefits for everyone.

They can do this by taking steps such as clarifying performance expectations, focusing more on assessing performance based on outputs rather than inputs, formalising mentoring and developing communication and management skills.

As Professor Bloom says: “When it comes to working from home, the winners massively outweigh the losers. Firms, employees, and society in general have all reaped huge benefits. In my lifetime as an economist, I have never seen a change that is so broadly beneficial.”

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HILDA Disclaimer

This paper uses unit record data from Household, Income and Labour Dynamics in Australia Survey [HILDA] conducted by the Australian Government Department of Social Services (DSS). The findings and views reported in this paper, however, are those of the author[s] and should not be attributed to the Australian Government, DSS, or any of DSS’ contractors or partners. DOI: 10.26193/NBTNMV

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